

## Governor's Item Vetoes of Appropriation and Revenue Bills

Bill Number	Bill Title	Section Vetoe	Description
HF 807	Judicial Branch Appropriations Act	Sec. 11	This Section dealt with the receipt of Microsoft money; however, all the Microsoft money was allocated to the Department of Public Safety. The contingent appropriation to the Judicial Branch was removed during Session, which made the language in this Section unnecessary.
HF 809	Economic Development Appropriations Act	Sec. 2.3(e)	Prohibits the Department of Economic Development from charging a nonprofit public entity a fee for placement of informational materials in a welcome center. The Governor stated that more than 50.0% of brochure enrollment revenue comes from non-profit organizations and, without that revenue, the welcome centers would have to be closed several days a week.
HF 810	Administration and Regulation Appropriations Act	Sec. 17.1, second unnumbered paragraph	Requires the Secretary of State to not charge a fee for data processing services to support voter registration file maintenance and storage. The Governor vetoed this paragraph, stating the Department of Administrative Services was established as an entrepreneurial organization that charges other agencies for its services. Allowing one agency to be exempt is counter to this business model and can create a federal over-recovery issue.
HF 811	Justice System Appropriations Act	Sec. 6.1(h), first unnumbered paragraph	Requires the Eighth CBC District Department to establish a drug court. The Governor vetoed this language, stating the funding for a drug court was not provided.
		Sec. 14.5(b), first unnumbered paragraph	Requires the State Fire Marshal to allocate \$200 of the General Fund appropriation for the mailing of a notice to all affected agencies about the requirements of an autopsy. The Governor vetoed this Section because he felt the wording would create a barrier for proper notification. The Governor has informed the Department of Public Safety, along with the State Medical Examiner's office, that they are required to inform agencies whose employees and volunteers are subject to the provisions of Section 19 of this Act.
HF 816	Education Appropriations Act	Sec. 9	Requires that the Board of Educational Examiners convene a working group to review current teacher and administrator preparation and licensure and makes recommendations for improvement. The Governor indicated that funding was inadequate to complete the study.
		Sec. 12.1(a), first unnumbered paragraph	Requires three agencies to collaborate to determine the estimated need for the Tuition Replacement appropriation. The Governor vetoed this language and stated that collaboration among these entities is no longer necessary because the Board retains a financial advisor to estimate the Tuition Replacement appropriation need.
		Sec. 19	The Governor vetoed the requirement that the Department of Education establish a value-added assessment system, and he vetoed the allocation of funds for that purpose from the Student Achievement and Teacher Quality Program. The Governor stated that the system would be redundant and could have long-range unintended effects on existing local and State assessment systems.

## Governor's Item Vetoes of Appropriation and Revenue Bills

Bill Number	Bill Title	Section Vetoed	Description
HF 816	Education Appropriations Act (Continued)	Sec. 31(b)	The Governor vetoed the requirement that \$5,000 of the Student Achievement and Teacher Quality allocation for National Board Certification Awards be used to conduct a study of the impact of National Board Certification on student achievement. The Governor stated that the cost of the study would exceed the allocation and that various studies underway nationally will provide sufficient information on which to base a decision regarding future funding of the Awards.
HF 821	Prescription Drug Assistance Clearinghouse Program	Sec. 2.2	The Governor vetoed the contingent appropriation stating that it unnecessarily diverts resources away from the Senior Living Trust Fund.
HF 825	Health and Human Services Appropriations Act	Sec. 9.14	Requires DHS to adopt rules related to notification and timeframes for responses to inquiries and comments for the Pharmaceutical and Therapeutics Committee, that oversees the Medicaid Preferred Drug List. The Governor vetoed this section, stating that the requirements were impractical; create an unnecessary barrier to effective implementation of the PDL; and provide preferential treatment to drug manufacturers.
		Sec. 24.6	Requires the DHS to issue a Request for Proposal (RFP) regarding services to an area that has a substantial number of homeless individuals that also have a mental illness if the existing grantee no longer serves the geographic area. The Governor vetoed this Section, stating that he supports the competitive bidding process in order to get the best value and service possible.
HF826	Speed Limit Act	Sec. 7 and 9	The Governor vetoed language that allocated a portion of the additional speeding fine and surcharge revenue from the State Court Administrator's Office to the State Patrol for the purchase of vehicles until June 30, 2009. The Governor stated that he agreed with the need to increase vehicle funding, but did not agree with directly tying the increase in speeding fine revenue to the purchase of State Patrol vehicles.
HF862	Healthy Iowans Tobacco Trust Fund Act	Sec. 1.3(f)	Requires an allocation of \$60,000 for a value-based treatment program for women at the Mitchellville Correctional Facility. The Governor vetoed this allocation and stated that a similar program at the Newton Correctional Facility is the subject of a constitutional challenge. In order to avoid confusion, the program should not be expanded until the federal court system resolves this issue.
HF 882	Standing Appropriations Act	Sec. 65 and Sec. 81	Provides a sales tax exemption for construction of residential treatment facilities for youth with emotional or behavioral disorders and licensed under Chapter 237 (child foster care facilities) or Chapter 135H (psychiatric medical institutions for children). This exemption was estimated to reduce net General Fund revenue by \$200,000 in FY 2006. The Governor stated that this exemption was expected to affect two projects currently in progress and he does not support providing special tax status to two specific projects.

## Governor's Item Vetoes of Appropriation and Revenue Bills

Bill Number	Bill Title	Section Vetoes	Description
HF 882	Standing Appropriations Act (Continued)	Sec. 94(b)	Permits school boards to grant the authority to the superintendent to approve an open enrollment application after the March 1 deadline if good cause exists. Makes conforming and technical changes. The Governor stated that this change was intended to accompany a change to move the authority for determining good cause to the resident district. Without the change of good cause determination provided to the resident district, open enrollment decisions may not be based on the best interest of the student. The Governor stated he is committed to working with the General Assembly and other stakeholders to resolve this issue in the future.
		Sec. 106 and Sec. 143	Repeals the requirement that the Department of Inspections and Appeals conduct inspections of and license certain food handling and serving establishments and administer the hotel sanitation code. The Governor vetoed these sections and stated that this provision is unnecessary because of his veto of HF 770.
HF 869	Tax Credits to Beginning Farmers	Entire Bill	Provides an income tax credit to a farmer that sells or leases land or other agricultural assets to a new farmer. The Governor vetoed this Bill, stating that while he supports the tax credit to encourage asset transfer to beginning farmers, he does not support the inclusion of the sales tax exemption, citing several current court cases related to the taxation of this machinery. This Bill would have reduced General Fund revenues by an estimated \$470,000 in FY 2006 and \$250,000 in FY 2007.